

Transcript of Reagan's Remarks to His Investigative Panel

WASHINGTON, Dec. 1 (AP) — Following is a transcript of remarks today by President Reagan to a Presidential panel reviewing the National Security Council, as provided by the White House, and a subsequent exchange with reporters:

Reagan Statement

Senator Tower, Secretary Muskie, General Scowcroft, I'm grateful to all of you for agreeing to serve on this board. I know it'll take a lot of your time. But your experience and expertise in this inquiry are extremely important in evaluating the National Security Council's staff operations and providing recommendations on how it should operate.

The purpose of your undertaking is to review past implementation of Administration policies and to conduct a comprehensive study of the future role and procedures of the National Security Council's staff in foreign and

national security policy.

I would like you to focus on that staff. And one, develop policy; two, coordinate with other agencies; and three, implement the President's policies, and four, oversee the implementation of these policies by others.

I hope that you would take particular care to look into the question of whether and under what circumstances the National Security Council staff was, and should be, directly involved in the operational aspects of sensitive diplomatic, military or intelligence missions such as the Achille Lauro, the T.W.A. hijacking, and Grenada and Iran.

In addition, I have directed the National Security Council staff not to participate in the actual operations associated with such activities pending the outcome of the report by the special review board.

You will have the full cooperation of all agencies of the executive branch and the White House staff in carrying out your assignment. And I want to assure you and the American

people that I want all the facts to come out — about learning of a possible transfer of funds from the sale of arms to Iran, to those fighting the Sandinista Government — we acted to learn the facts. And we'll continue to share the actions we take and the information we obtain with the American people and the Congress.

The appointment of this board and the stature of its membership are a demonstration of a commitment to learn how this happened and how it can be prevented in the future.

The Department of Justice investigation is continuing with my full support and cooperation, and if they determine an independent counsel is called for, I would welcome that appointment.

If we're to maintain confidence in our Government's foreign policy apparatus, there must be a full and complete airing of all the facts. And I am determined to get all of the facts out and take whatever action is necessary. The work of this board and the Department of Justice investiga-

tion will do just that. Just as soon as your findings and recommendations are complete, they will be shared with the American people and the Congress. So with that, I say, go to it.

Questions and Answers

Q. Mr. President, when the Attorney General said you were not fully informed and you said you were not fully informed, did that mean that you never knew anything about contra funding with Iran sales money?

A. Helen, I've answered that question. I'm not going to take — we have a meeting now to go into, but I answered that question a couple of times.

Q. Well, does that mean that you had no knowledge at all?

A. That's what I said.

Q. Mr. President, are you willing to call Congress back in for a special session?

A. That is under discussion, and there's been no decision yet. But we want to work with the Congress.

The White House Crisis: A Panel Tells of Its Hopes

Excerpts From Session With President's Panel

Following are excerpts from a news conference yesterday by John G. Tower, Edmund S. Muskie and Brent Scowcroft, members of a Presidential panel reviewing the National Security Council, as recorded by The New York Times through the facilities of Cable News Network:

Q. How do you see your investigation working alongside, if you will, what's happening on the Hill, what may happen with the special counsel? Could there be a confusion of testimony?

TOWER: Well, I think what we need to do at the outset is to avoid that confusion. And we've already talked to the Attorney General about sitting down with him as a group and making determinations on how we cooperate. He's already said to us that information that he has gotten that would be of value to us would be made available to us. Senator Muskie has rightfully suggested also that we talk with the Congressional leadership and work out an MOU with them, which we fully intend to do.

Q. Senator, was there any discussion at a meeting that just took place — was there any discussion at all about the facts of the Iranian case?

TOWER: No, there was no discussion of the facts of it.

Q. Do any of you — all of you certainly must have a preconception, a predisposition that something went wrong, is that what you're operating on?

TOWER: I'm not operating on any assumptions or preconceptions. I think that we have to be very coldly objective, and I think that we will be. This is, after all, an inquiry to determine facts.

Precedent at N.S.C.

Q. General, did anything happen in your Administration that would be tantamount in any way of covert action without the N.S.C. or the President knowing?

SCOWCROFT: Yep, I hope not. I think to ask these kinds of questions before we've really gotten started is premature. I think we're going into the whole thing — I think one has to separate the substance of what happened with the procedures of how it was made. And that's what we're examining — whether you think the Iranian thing was a good idea, or bad idea. How was it done and, if there were errors and mistakes made, how can we correct them.

Q. Senator Tower, there's been some question raised about your relationship with Mr. McFarlane since he worked for you. Do you think that poses any problem in the conduct of your review board?

TOWER: I intend to pursue this inquiry with cold objectivity. My loyalty to my country exceeds my loyalty to any individual or any partisan endeavor.

Problems With Council

Q. Senator Muskie, you served as Secretary of State in the Carter Administration. In your dealings with the N.S.C., did you have problems such as appeared to have occurred here and that you were cut out of operations run by the N.S.C.?

MUSKIE: Remember, my term as Secretary of State was very brief.

And I don't recall in at period anything of this kind.

Q. Senator Tower, to whom do you report about the President?

TOWER: We report to the President.

Q. Do you report to anyone else?

TOWER: Well, I'm sure that others on the Presidential staff will be privy to our reporting. But we are directly responsible to the President, and we report to the President.

What Public Will Hear

Q. Could tell us — Senator, would you tell us how much of your activities are going to be public? What are we going to see of you from now on?

TOWER: I think it's very difficult to say to what extent we will have public meetings and what extent they'll be closed. Obviously, we'll be dealing with a great deal of sensitive and classified material and of necessity must meet behind closed doors. We will — we will open the commission meetings to the extent possible.

Q. Senator Tower, pending the outcome of your inquiry, did the President give you any assurances that there won't be any more covert operations run by the N.S.C.?

TOWER: Yes, he announced that in his opening statement that he made when the press was —

Council's Role

Q. Senator Tower, given that he has told the N.S.C. staff not to take part in operational activities and given that your inquiry is ongoing, does the N.S.C. have anything to do in the intervening months? Are they basically out of business for the time being?

TOWER: Well, the primary function of the N.S.C. is to — is to reinforce the national security adviser and the National Security Council and — and providing information to the President on which conclusions can be drawn and judgments could be made. I think Brent could probably give a better answer to that than I can.

SCOWCROFT: The primary function of the N.S.C. and the staff is to provide advice, to plan and to coordinate on the kinds of things you're all interested in — the operations side. Whether or not it should go forward is quite separate from the bulk of the activity of the N.S.C. staff.

Q. Senator Tower, will you be trying to find out what — will you be trying to find out what the President knew about the arms — money to the Contras?

TOWER: We will follow our mandate. And I think that

Q. Will you question the President?

TOWER: Well, the President will be available to respond to questions from us. He has pledged his cooperation.

What the President Knew

Q. Is that a key question though, Senator, what the President knew about the money to the Contras? Will you be trying to find out about that?

TOWER: Our function is to look in to the past practices and operations of the National Security Council staff.



REVIEW PANEL MEETS: President Reagan meeting yesterday in the Cabinet Room with members of the panel to review activities of the National Security Council, John G. Tower is at left, Edmund S. Muskie at center and Brent Scowcroft at right.

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: No. Let me — I mean, we are not here this morning to begin to list the questions we will put to anybody. We are free to put questions to anybody we choose to within the Government. We will do that. We were not about to list those questions here or list to you the questions we're going to put to particular people. And I assure you we have been promised total access to anybody connected with any of the operations of the N.S.C. now or before today or the past many years that we need in order to make judgment about N.S.C. procedures and activities and operations. That's our mandate and we intend to fully implement that mandate.

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

Q. In other words, the answer's 'no' to the question asked?

MUSKIE: Yes. He announced that in his opening statement that he made when the press was —

BACK IN UNIFORM: Lieut. Col. Oliver L. North yesterday as he left home in Great Falls, Va. Colonel North reported for Marine duty yesterday after his dismissal last week from the National Security Council staff. A Marine Corps spokesman said the colonel had not yet been given a specific assignment.

An Upstate Murder in 1983 Is Reported Linked to Iran Arms Smuggling

By RALPH BLUMENTHAL

A slain businessman whose body was found in a Bear Mountain, N.Y., lake in 1983 was apparently involved in procuring contraband arms for Iran, a former State Police investigator said yesterday.

The victim, George M. Perry, a 64-year-old former General Motors executive with business dealings in Europe and South America, was found with three bullet holes in his head and weights attached to his legs in Lake Tiorati on April 8, 1983, three months after vanishing from the Grand Hyatt Hotel in New York.

The State Police officer, Thomas St. Arce, who recently retired, was one of

12 investigators originally assigned to the still-open case. He said the inquiry had uncovered links to arms trading for Iran.

He said in an interview that Mr. Perry appeared to have been involved with a group of Czechoslovak and Brazilians dealing in tanks and arms parts and that at one point \$20 million allocated for the purchases disappeared.

"Somebody did not want to give the money back," Mr. St. Arce said, adding that whoever had "fronted" or advanced the money might have been Mr. Perry for its disappearance. He said it was not clear whether Mr. Perry had cor. of the money and could

have returned it.

A 1983 article in The New York Times noted that Mr. Perry, an American executive working abroad, had been routinely debriefed about his observations by the Central Intelligence Agency.

Mr. St. Arce said State Police investigators had sought the cooperation of the FBI during an investigation in Pennsylvania in 1983, several months after the murder.

"The CIA would not cooperate with us at all," he said. "It would not return our calls at all."

He said the State Department had also offered no cooperation when investigators tried to go to Brazil to interview witnesses. The Brazilian Government declined to grant visas on the ground that it did not want its citizens

harassed, and the State Department declined to intercede, he said.

Mr. St. Arce, who now runs a detective agency in Cornwall, N.Y., said a key clue in the case was the dropping of Mr. Perry's name in a taped conversation between an undercover agent and suspected arms smugglers during an investigation in Pennsylvania in 1983, several months after the murder.

He said one of the participants warned another to be careful, at the risk of winding up like Mr. Perry.

Mr. St. Arce said that suspicion for the murder fell on a group of Czechoslovakians living in New York, but that not enough evidence had been compiled for

arrests.

The former officer said he was not in possession of the latest information, but believed no new data had emerged for about two years.

A State Police spokesman at the Palisades substation voiced irritation yesterday with John St. Arce's disclosure, saying that the case was still under investigation. Mr. St. Arce's comments were originally reported yesterday by the Gannett chain of Westchester-Rockland Newspapers.

The Orange County District Attorney, Frank Phillips, said he had not heard of any talks with the President about," Mr. Taylor said.

U.S. Now Reassessing Iran Arms-Smuggling Trial

By STUART DIAMOND

The United States Attorney in Manhattan obtained an unusual 10-day court delay yesterday to reassess a case against 18 defendants who planned to sell arms to Iran.

"We are attempting to review the entire situation in light of recent disclosures," Lorna Schofield, an Assistant United States Attorney, told Federal District Judge Leonard B. Sand.

Defense lawyers said such a move often meant that prosecutors would ask for dismissal of all or some of the charges. But Denison Young Jr., the Associate United States Attorney, asserted, "Nothing that was said in court should be read one way or the other regarding the outcome of our review."

According to sources quoted in The New York Times on Saturday, the prosecutors were unaware that the Reagan Administration was secretly shipping arms to Iran. The shipments were taking place while the United States Attorney and the Customs Service were conducting a sting operation to catch people attempting to do the same thing.

The Administration's actions, which came in Congress say were illegal, were brought to light in the dropping of Mr. Perry's name in a taped conversation between an undercover agent and suspected arms smugglers during an investigation in Pennsylvania in 1983, several months after the murder.

He said one of the participants warned another to be careful, at the risk of winding up

The White House Crisis: Moscow Joins the Uproar

MOSCOW ACCUSES IRAN ON AFGHANS

Izvestia Says Tehran Assists U.S. in 'Undeclared War' on Behalf of Guerrillas

MOSCOW, Dec. 1 (Reuters) — The Soviet Government newspaper Izvestia accused Iran today of aiding the United States in an undeclared war against Afghanistan.

At the same time, Izvestia said, Iran has undertaken "an unbridled hostile campaign" against the Soviet Union over its support for the Afghan Government.

The newspaper accused Iran of "blatant interference" in the internal affairs of Afghanistan by supporting the insurgents and by direct aggression. "By participating in subversive activity against the Democratic Republic of Afghanistan, Iran has in fact lined up with the United States and its allies," Izvestia said.

The Soviet attack was the toughest against Iran in many months and appeared to reflect downturn in relations between the two countries.

Izvestia suggested that there was a link between Iran's policy and the weapons it recently received from the United States and Israel. The newspaper quoted Rear Adm. John M. Poindecker, former national security adviser to President Reagan, as having said that some of the weapons supplied to Iran were intended for the Afghan guerrillas.

"To those advantage but that of the United States, the Israeli Zionists, and other reactionary forces is the cause of the present leadership of Iran," Izvestia said. "In words, it proclaims that it follows anti-imperialist ends, but in fact it cooperates with the forces of imperialism in carrying out an undeclared war against the Democratic Republic of Afghanistan."

Izvestia said Afghan insurgents recently captured near the Iranian border had said that they received instructions and weapons from Iran. During 1980, the newspaper added, Iranian air and land forces "carried out more than 60 acts of aggression" into Afghan territory.

Iran Threatens Gulf Countries

TEHRAN, Iran, Dec. 1 (Reuters) — Prime Minister Mr. Hossein Mousavi said today that Iran would retaliate against Persian Gulf countries helping Iraq.

"It would be a big mistake for these countries to think that we might forget our blow-for-blow policy in certain parts," he said in an interview published in several Tehran newspapers.

The Tehran Times said that it reports were true that Gulf governments allowed Iraqi jets to use their airports after a raid on Iran's Larak Island oil terminal, "then regretfully" their bases would be selected for Iranian missile attacks.

Aviation sources in the Middle East have said that Iraqi jets that raided the Larak terminal there Tuesday were part of the Persian Gulf last Tuesday were allowed to make an emergency landing in Saudi Arabia after they ran low on fuel.

ISRAEL-IRAN ARMS DEALS CHARGED: Ali Safavi, a spokesman for the People's Mujahadeen, an Iranian opposition movement, at news conference yesterday in Washington. He displayed documents that he said proved that Iran has been buying large quantities of United States-made weapons from Israeli intermediaries since 1980 and that weapons were delivered from the United States and South Africa as early as 1984.

Swiss Company Calls Dealings Legal

By JOHN TAGLIAPIETRA Special to The New York Times

ZURICH, Dec. 1 — The chairman of a Swiss finance company thought to have played a role in the Iran arms deal said today that his company had done "nothing illegal, nothing outside the activity of a fiduciary company."

The company, Compagnie de Services Fiduciaires S.A., which had offices in the Champel neighborhood of Geneva, has been linked to plans purchased by Nicaraguan rebels and to the channeling of payments from the Iran arms sales.

But the chairman, Jean de Senarclens, a well-known Geneva lawyer, said the company "has a client who asked us to do something according to fiduciary practice."

"We did nothing extraordinary," he added.

Mr. de Senarclens, in a telephone conversation, declined to identify the client or the nature of the request. He said the company would issue a statement Tuesday to explain its role.

Planes Bought in 1984 and 1985

Information from interviews and sale records indicate that planes were purchased for Nicaraguan rebel groups in 1984 and 1985 from a Geneva company and paid for from accounts of C.S.F. Investments, a Bermuda subsidiary of the Geneva finance company.

The Times of London, quoting sources familiar with the transactions, said \$18 million from the Iran arms sales was paid into the Swiss company's account in the Cayman Islands. Arrangements for the Iran arms payments involved many participants, but it is thought that the Geneva company may have coordinated bank

transfers. Mr. de Senarclens refused to comment on these allegations.

Swiss commercial records do not reveal ownership, but the finance company has been linked with Albert Hakim, an Iranian businessman living in the United States, who is a business partner of Maj. Gen. Richard V. Secord, a retired Pentagon official linked to the Iran arms sales.

Mr. de Senarclens denied that his company was controlled by Mr. Hakim. "He is a client," Mr. de Senarclens said.

He also denied that his company had links with the Central Intelligence Agency or other United States Government agencies.

He said news reports of the transactions involving the company and its units offered "false interpretations," but he would not elaborate.

Mr. de Senarclens said he was one of two officials "responsible for the administration" of the company, more or less equivalent to board members of an American corporation. He identified another as Alfred Stohler, a Swiss-German businessman.

The company's manager, Willard I. Zucker, who runs its day-to-day business, has refused to answer questions. On Sunday, Mr. Zucker agreed to accept written questions, though he has not yet answered them.

According to Swiss commercial records, the company was set up in 1971 with a basic capital of 415,000 Swiss francs (\$250,000 at current exchange rates), to provide "all manner of services in financial, legal, economic and commercial matters, and to transact all manner of business on behalf of third parties."

Legal experts said the definition ap-

peared to imply that the principal activity was financial consulting.

Swiss law requires that two Swiss nationals — in this case, Mr. de Senarclens and Mr. Stohler — be appointed to oversee company business. These officers are often lawyers who perform similar posts in several companies. Often they hold little more than a token share of the company's equity, and have little to do with day-to-day operations.

According to Geneva business sources, Mr. Zucker is an American lawyer and longtime resident of Switzerland. It is unclear whether he joined the company at its founding or shortly thereafter.

Details on Zucker's Background

Before joining the company, Mr. Zucker is believed to have worked for Bernard Cornfeld, the American financier who built Investors Overseas Services Ltd., a mutual fund, into a multinational dollar operation before being forced out in 1970 by Robert Vesco amid charges of mismanagement and fraud that later brought Mr. Cornfeld a jail sentence.

Business sources in Geneva said Mr. Zucker was involved in various ventures over the years, including an unsuccessful effort to found a professional basketball league in Switzerland.

Other sources said Mr. Zucker, as manager of the finance company, was well known as an agent for dealings in the Middle East.

One source familiar with Mr. Zucker described him as "an undercover agent who plays a discrete role in Middle Eastern 'arrangements.'"

The source said Mr. Zucker was "a first-class contact, a mover of money, an opener of accounts."

U.S. Aides Say the Contras Didn't Get All Iran Money

Continued From Page 1

had no cash and had substantial debts by July, he said.

"In their main hospital," he added, "they were washing and re-using bandages."

Contra leaders and other officials said initially that they believed the Iranian money might have been used to pay for the covert program directed by National Security Council officials of aid to the Contras, and Mr. Abrams said he had no views on that.

But after analyzing details of that supply program over the last week, two senior Administration officials directly involved in the matter said today that the contra supply programs had clearly not cost as much as \$10 million. The Contras "just haven't seen any thing like \$10 to \$30 million in military help," a senior Administration official involved in the matter said.

No Way, Pilot Says

A former contract pilot who said he had flown numerous covert supply missions to the Contras until one of the planes crashed inside Nicaragua in October said in an interview today that he agreed with that assessment.

The pilot, William K. Wehrill, whose home telephone number in Florida appeared in phone records from a "safe house" in El Salvador that was used by contra military supply teams, said the aid program was impoverished.

"There's no way," he said, that the program could have used between \$10 million and \$30 million.

"The whole thing was incredibly poorly funded from the very beginning," Mr. Wehrill said, "we could even buy navigational systems so we could accurately make the drops to the right people."

Mr. Wehrill said he was to be interviewed by United States Government investigators about his role in the program in the next few days.

Several officials said the military supply program probably cost \$3 million to \$4 million over the last year, but they added that the estimate was rough. In addition to the \$10 million to \$30 million Mr. Meese said was channeled to the Contras, rebel leaders have said they received \$2 million to \$3 million in donations from private individuals, a figure State Department officials say is probably accurate.

'Fragmentary Evidence'

As to the question of where the extra money went, a senior Government official who has read key intelligence reports from the last year said that "there's some fragmentary evidence" in those reports that some of the Iranian money was also used "to fund other projects."

Although the official declined to specify which projects, he and other officials implied that some of the Iranian money might have been used to help finance the rebel movements in Afghanistan and Angola.

That tentative conclusion, they said, was based on reviews over the last several days of highly classified files of communications intercepted and recorded from a variety of sources by the National Security Agency.

In February, President Reagan authorized a covert program to provide

up to \$15 million in aid to the guerrillas fighting the Marxist Government in Angola. For several years, the United States has also been providing covert aid to the rebels fighting Soviet troops in Afghanistan.

A knowledgeable official said the idea that some of the Iranian money was channeled to other rebel groups was gaining wide acceptance among senior Government officials as more of them read the National Security Agency intercepts and also analyze the available data on the total cost of covert arms shipments to the Nicaraguan rebels.

Mr. Abrams and others in the State Department have said they did not know any Iranian money was being diverted to the rebels until Mr. Meese discussed the matter during a news briefing last week.

Mr. Wehrill, the contract pilot, said he worked for J. Edgar J. Cooper, the pilot who died when a C-130 transport crashed inside Nicaragua in October while carrying rifles and ammunition to rebel troops. Mr. Wehrill said that "the people involved in running the operation were trying to save money from the very beginning."

He said the aid program began last February and added that he flew missions until the program was suspended in October, after the crash. Mr. Wehrill said he did not know the source of the program's money but added, "There's no way it cost anything near \$10 to \$30 million."

LATIN STUDY UNIT TARGET OF THIEVES

Files on Weapons Shipments Are Stolen in Washington

WASHINGTON, Dec. 1 (AP) — The head of a group that has investigated American activities in Latin America said today that documents linked to weapons shipments in Central America were stolen and files ransacked during a weekend burglary at the group's office here.

The official, Robert E. White, a former United States Ambassador to El Salvador and head of the International Center for Development Policy, said politics appeared behind the weekend burglary. "We've been one of the primary vehicles on which Latin American controversy," he said, "our position is known."

A police spokesman said that items like computers and typewriters were not stolen but that investigators had not determined a motive for the break-in. "We have not been able to substantiate whether this has a political connection or whether the break-in was for the purpose of stealing valuable files," the spokesman, Lt. William White, said.

"During the course of the investigation we will deal with all possible suspects."

Center Opposes U.S. Policy

The center's Commission on U.S.-Central American Relations opposes Reagan Administration policies in Nicaragua. It has investigated financing and arms sales to the Nicaraguan rebels, or Contras, and has provided the information to Congress. Other departments deal with United States policies in Africa and Asia.

The center hired a private investigator today to do an electronic sweep of the building to determine if any listening devices had been left behind.

According to the police, someone entered the three-story building on Saturday by throwing a brick through a second-story window and climbing in from a neighboring roof.

"They went through every floor," said Robert White. "A lot of things were spilled out, but the primary damage was in the section that deals with Central America."

He said that the desk had been ransacked but that the only thing missing at first sight was a copy of flight instructions from Southern Air Transport, the private air company that has been linked to the cargo plane recently downed in Nicaragua while carrying weapons to the Contras.

Broadcaster Assails White House Press

PHOENIX, Dec. 1 (AP) — A broadcaster criticized the White House press corps in a full-page newspaper advertisement today, saying it was disrespectful to President Reagan.

The broadcaster, Tom Chaucey, said in the advertisement, which appeared in the national newspaper USA Today, that "As a 56-year broadcaster, I have been ashamed of the lack of professionalism exhibited by some of these people who pretend to be journalists."

In an interview, Mr. Chaucey said an advertisement had nothing to do with news coverage of the Iranian arms crisis. He said he had wanted to take out the ad until after he had devoted himself of holdings in two Phoenix radio stations. The sale will be completed within weeks, he said.

"As long as I was running a station, I didn't feel like I had the right to do it," Mr. Chaucey said.

He said the press had earned the mistrust of the public through decades by attacking elected officials.

The advertisement, which depicted the American flag and an eagle, said that the "arrogance and pomposity of some members of the press is an embarrassment to responsible journalism. It exists everywhere. Whatever happened to the concept of respect for our President and the office he holds?"

Reagan's Approval Rating Drops Sharply in Poll

Continued From Page 1

ance has fallen below 50 percent since the economic recession of 1982 and its immediate aftermath in early 1983, when his ratings hovered in the 41 to 49 percent range.

While he is still widely viewed as a strong leader of high honesty and integrity, public confidence in the President's ability to deal with an international crisis has declined sharply. A wide majority of those questioned said they had greater trust in Congress than in Mr. Reagan to make correct decisions on foreign policy.

Many Express Unease

Only 35 percent of those questioned said they approved of Mr. Reagan's conduct of foreign policy and 56 percent said they disapproved. The approval rating since April 1981 and the highest disapproval rating found in the New York Times/CBS News poll since Mr. Reagan took office in January 1981. The margin of sampling error in the survey is plus or minus 4 percentage points.

More than half of those surveyed said they were "uneasy" about Mr. Reagan's handling of an international crisis compared with fewer than third who expressed that opinion earlier this year when the President sent troops against military targets in Libya in response to terrorist acts traced to that country.

Both major elements of the Adminis-

tration action that have caused the current crisis brought disapproval. Three-quarters of those surveyed said they disapproved of the United States Government's "selling arms to Iran in order to get American hostages in Lebanon released," with only 16 percent expressing approval.

The question of "giving military aid to the Contras" who are fighting against the Government of Nicaragua, 58 percent said they disapproved and 38 percent they approved. The response was little different from that to a similar question posed in a New York Times/CBS News poll last April, in which people were asked specifically about the \$100 million in aid to the Contras then under consideration by Congress.

Variations Previously Small

Even among those who endorsed the aid, 60 percent said it was not so important that it should be done without the approval of Congress, as Mr. Reagan and other Administration officials have acknowledged occurred in the case of the money funneled to the Contras from the Iran arms deal.

The 21-point drop in Mr. Reagan's job performance rating was particularly startling because the rating had not previously been subject to wide variations.

How the Poll Was Conducted

The latest New York Times/CBS News poll is based on 600 telephone interviews conducted on Sunday with 887 adults around the United States, excluding Alaska and Hawaii.

The sample of telephone exchanges was selected by computer from a complete list of exchanges in the country. The exchanges were chosen so as to insure that the sample of the country was represented in proportion to its population. For each exchange, the telephone numbers were formed by random digits, thus permitting to both listed and unlisted residential numbers.

The results have been weighted to take account of household size and the number of residential telephones and

the United States Embassy in Tehran showed Mr. Carter with a 31 percent approval rating; the hostages were taken early in November 1979. Mr. Carter's approval rating rose to 51 percent by early December.

"Carter's ratings went up and down and up and down and up and down," Mr. Kohut said. "It takes a lot of time to change opinion about Reagan. Opinion about Reagan has, in fact, shifted significantly."

By contrast, those polled expressed much the same opinion of Vice President Bush, who has thus far distanced himself from the dispute over the shipment of arms to Iran and the funneled money to the Contras, as people polled before the crisis began. Twenty-nine percent said they had a favorable impression of the Vice President, 17 percent were not favorable, 20 percent were undecided and 33 percent said they had not heard enough about him to form an opinion.

Similarly, only 45 percent believed Mr. Bush was a strong leader, 33 percent the arms sales to Iran was used to finance the Nicaraguan rebels — substantially fewer than believed this of the President and other high-ranking Administration officials.

President Reagan has said that the only two officials in knowledge of the money-funneling operation were Vice Adm. John M. Poindecker, who resigned his post as national security adviser last week, and Lieut. Col. Oliver L. North, who was relieved of his duties on the National Security Council staff at the same time.

Cover-Up Suspected by Many

Nevertheless, 53 percent of those surveyed said they believed Mr. Reagan was himself aware "that money from the Iranian arms sales was going to help the Contras"; 65 percent said they believed Mr. Reagan's chief of staff, Donald T. Regan, was aware of the transactions; and 50 percent said they thought Secretary of State George P. Shultz knew.

In addition, 55 percent said they held President Reagan responsible "a lot" for the funneling of the money and an additional 29 percent said they held him responsible "some."

Mr. Shultz was viewed more favorably than the other officials surveyed, with 43 percent reporting favorable impression, 11 percent unfavorable and the rest saying they were undecided or did not know enough

The New York Times / CBS NEWS POLL

How Reagan Fared: Style and Substance

Reagan is a strong leader

Yes	60%
No	30%

Has more honesty and integrity than most people in public life

Yes	59%
No	33%

Has good judgment under pressure

Yes	52%
No	40%

Based on 687 telephone interviews conducted on Nov. 30. Those with no opinion are not shown.

Confident or uneasy about Reagan's ability to deal with difficult international crisis

Confident	37%
Uneasy	56%

Think he knew what money from Iranian arms sales was going to help the Contras

Yes	53%
No	26%

Whom do you trust more to make the right decisions on foreign policy?

Reagan	21%
Congress	67%

about him to answer the question. Mr. Regan, the President's chief of staff, was viewed favorably by only 15 percent of those questioned, with 30 percent expressing serious doubts.

The sentiment that not everything is yet known was reflected in the response, given by 68 percent of those questioned, that the Administration was "trying to cover up all the facts about the Iranian arms deal." Twenty percent said the Administration was not trying to cover up the facts.

Concern over the situation was clear: 47 percent of those questioned said the crisis was "as serious for the country as Watergate was," with an additional 10 percent volunteering that it was even more serious. Thirty-six percent said it was not as serious.

Seventy-seven percent said they believed that "most of the time Ronald Reagan is in charge" while more than half said they thought "most of the time other people are really running the Government." The last time the question was asked by the New York Times/CBS News Poll, in October 1981, the survey results were evenly split at 45 percent each.

As has often been the case during Mr. Reagan's Presidency, those surveyed

held distinct — and sometimes contradictory — views about Mr. Reagan's policies and his personal characteristics.

A subtle critique of the Iran arms dealings and the funneling of money to the Contras, and unsure of his control over the Government, 68 percent of those questioned said they believed Mr. Reagan was a strong leader, 59 percent said they believed he had "more honesty and integrity than most people in public life," and 64 percent said they "understands the complicated problems a President has to deal with."

Nevertheless, only 37 percent said they were confident of the President's ability to deal with a difficult international crisis, while 56 percent said they were "uneasy about his approach."

And 61 percent said they would trust Congress over Mr. Reagan to "make the right decisions on foreign policy" while 21 percent said they would trust Mr. Reagan over Walter F. Mondale, the former Vice President, in the 1984 Presidential election. Congress received greater trust than the President by a margin of 48 percent to 41 percent.

1 Transcript of Reagan Broadcast

Following is a transcript of President Reagan's broadcast statement in Washington yesterday, as recorded by The New York Times:

Good afternoon. Since the outset of the controversy over our policy relating to Iran, I've done everything in my power to make all the facts concerning this matter known to the American people. I can appreciate why some of these things are difficult to comprehend, and you're entitled to have your questions answered. And that's why I've pledged to get to the bottom of this matter, and I've said earlier that I would welcome the appointment of an independent counsel to look into allegations of illegality in the sale of arms to Iran and the use of funds from these sales to assist the forces opposing the Sandinista Government in Nicaragua.

This morning, Attorney General Meese advised me of his decision that his investigation has turned up reasonable grounds to believe that further investigation by an independent counsel would be appropriate. Accordingly, consistent with his responsibilities under the Independent Counsel Act, I immediately urged him to apply to the court here in Washington for the appointment of an independent counsel.

Dual System of Review

Yesterday, I had my first meeting with the special review board. That review board is made up of three men of unquestioned integrity and broad experience in foreign and national security policy. In a meeting with the board, they promised me a tough, no-nonsense investigation and I promised them the full cooperation of the White House staff and all agencies of the Executive branch. No area of the N.S.C. staff activities will be immune from review. And when the board reports to me, I intend to make their conclusions and recommendations available to Congress and to the American people.

With the appointment of an independent counsel, we will have in place a dual system for assuring a thorough review of all aspects of this matter. If illegal acts were undertaken, those who did so will be brought

to justice. If actions in implementing my policy were taken without my authorization, knowledge or concurrence, this will be exposed and appropriate corrective steps will be implemented.

I recognize fully the interest of Congress in this matter and the fact that in performing this important oversight and legislative role, Congress will want to inquire into what occurred. We will cooperate fully with these inquiries. I have already taken the unprecedented step of permitting two of my former national security advisers to testify before a committee of Congress.

These Congressional inquiries should continue, but I do believe Congress can carry out its duties in getting the facts without disrupting the orderly conduct of a vital part of this nation's government. Accordingly, I am urging the Congress to consider some mechanism that will consolidate its inquiries. Such a step has already been requested by several members of Congress. I support the idea.

In closing, I want to state again that it is my policy to oppose terrorism throughout the world, to punish those who support it and to make common cause with those who seek to suppress it. This has been my policy and will continue to be my policy.

If the investigative processes now set in motion are given an opportunity to work, all the facts concerning Iran and the transfer of funds to assist the anti-Sandinista forces will shortly be made public. Then the American people, you, will be the final arbiters of this controversy. You will have all the facts and will be able to judge for themselves — yourselves.

I'm pleased to announce today that I'm appointing Frank Carlucci as assistant to the President for national security affairs. A former Deputy Secretary of Defense, Deputy Director of the C.I.A. and Ambassador to Portugal, Mr. Carlucci has the depth of experience in foreign affairs, defense and intelligence matters that uniquely qualify him to serve as my national security adviser. The American people will be well served by his tenure.

Thank you and God bless you.

NYT 3 Dec 1986